DIADIN 1706-75
16 JULY 1975

~~SECRET~~

DEFENSE INTELLIGENCE NOTICE

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Date: *Oct 17, 2018*

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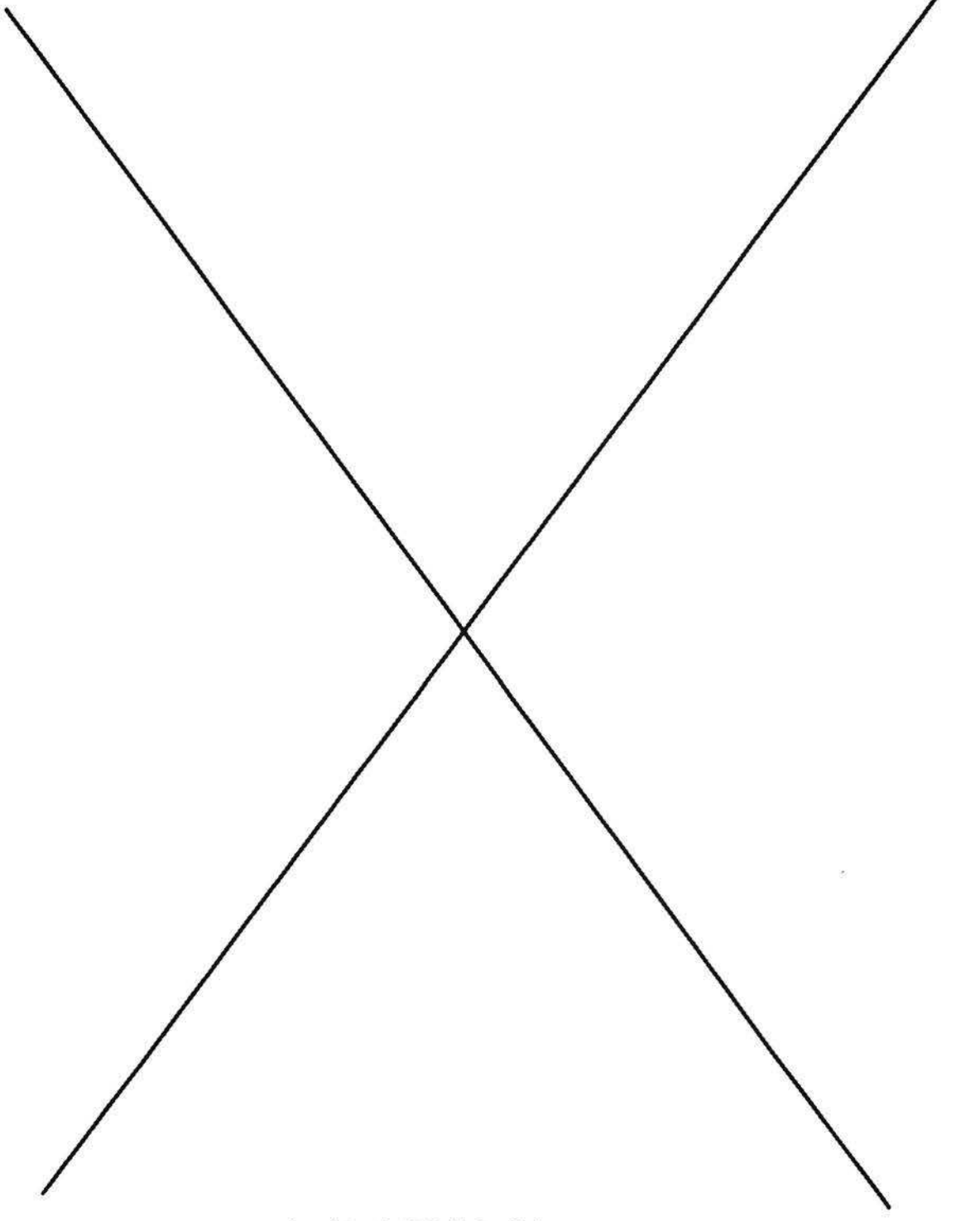

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This Notice is designed to provide intelligence in support of future decisions with respect to security policy or posture.

ARGENTINA

MORE POLITICAL, ECONOMIC, AND TERRORIST PROBLEMS.

~~(S/NFD/WNSISMI)~~ Three new Cabinet members appointed by President Peron on 11 July reportedly accepted on the condition that Lopez Rega be denied any influence in governmental affairs, even if it means his exile. Justice Minister Corvalan, Interior Minister Benitez, and Defense Minister Garrido have allegedly stated they joined the Cabinet to help save Peronism with or without Mrs. Peron. They are even willing to resign -- a move they believe will cause the up-to-now recalcitrant Argentine military to intervene and remove Lopez Rega from Argentina.

~~(C/NFD)~~ Mrs. Peron faces challenges of equal magnitude on the economic front as labor unrest grows. The rank and file have attacked the uneven wage increases she granted last week as being inadequate in the face of rampant inflation. Furthermore, the government announced on 15 July another devaluation of the peso -- the second in six weeks -- which further shrinks the wage increase, and a 36-hour strike by transportation workers in Bueno Aires forced the President to mobilize federal police to ensure order. La Plata, Argentina's fourth largest city, was hit by a 24-hour general strike in protest of the ambush murder of the mayor.

(U) Terrorism continues as well, with terrorists attacking Cordoba's central business district last week, damaging two police stations, offices of Argentine press agencies, and some 20 business locations. Leaflets indicated leftist guerrilla Montoneros staged the disturbances to solidify opposition to the government.

(Continued)

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~~(C/NFD)~~ Seven provincial governors met with Mrs. Peron on 15 July and pledged their full support. Nevertheless, the growing labor discontent, the continuing sentiment for Lopez Rega's exile, and the pace of terrorism may signal the President's eventual downfall. The catalyst could be the military, who have not yet intervened. There is high-level belief in Argentina that Mrs. Peron will not remain in office until her term expires in 1976. ~~(XGDS-2 Declassify upon notification of originator)~~

(b)(3):50 USC 403 (g)

SOURCES: [redacted] ~~(S/NFD/WNSICMI);~~
Emb Buenos Aires 4682 (U) and 4684 15 Jul 75 ~~(C)~~

(b)(3):10 USC 424

PREPARED BY:

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